U.S. NUCLEAR REGULATORY COMMISSION

Amendment No. 03

Corrected Copy

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	In accordance with application dated May 24, 2007
1. Applied Research Associates, Inc.	3. License number 30-27565-01 is amended in Its entirety to read as follows:
2. P.O. Box 5388 Albuquerque, New Mexico 87185	4. Expiration date November 30, 2017
	5. Docket No. 030-34489 Reference No.

6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
A. Cesium-137	A. Sealed source (CPN International, Inc., Model CPN-131)	A. 1000 millicuries total. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State.
B. Americium-241	B. Sealed neutron source (CPN International, Inc., Model CPN-131)	B. 1000 millicuries total. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State.

9. Authorized use:

A. and B. In CPN International, Inc., Model 500 Series portable gauging devices for measuring physical properties of materials.

B. In CPN International, Inc., Model MC-M portable gauging devices for measuring physical properties of materials.

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CONDITIONS

10. Licensed material may be used or stored at the licensee's facilities located at

    A. Licensee's facilities located at Building 20749, Kirtland AFB, New Mexico.

    B. Temporary job sites anywhere in the United States where the U.S. Nuclear Regulatory Commission maintains jurisdiction for regulating licensed material, including areas of exclusive Federal jurisdiction within Agreement States.

    If the jurisdiction status of a Federal facility within an Agreement state is unknown, the licensee should contact the federal agency controlling the job site in question to determine whether the proposed job site is an area of exclusive Federal jurisdiction. Authorization for use of radioactive materials at job sites in Agreement States not under exclusive Federal jurisdiction shall be obtained from the appropriate state regulatory agency.

11. Licensed materials may be used by, or under the supervision and in the physical presence of, individuals who have received the training described in facsimile received August 10, 2007.

12. A. The Radiation Safety Officer (RSO) for this license is John M. Hostak.

    B. Before assuming the duties and responsibilities as RSO for this license and before obtaining licensed material, future RSOs shall have successfully completed one of the training courses described in Criteria in Section 8.8 of NUREG-1556, Volume 1, Revision 1, dated November 2001.

13. A. Sealed sources shall be tested for leakage and/or contamination at intervals not to exceed the intervals specified in the certificate of registration issued by U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or by an Agreement State.

    B. In the absence of a certificate from a transferor indicating that a leak test has been made within the intervals specified in the certificate of registration issued by U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or by an Agreement State prior to the transfer, a sealed source or detector cell received from another person shall not be put into use until tested.

    C. Sealed sources need not be tested if they are in storage and are not being used. However, when they are removed from storage for use or transferred to another person, and have not been tested within the required leak test interval, they shall be tested before use or transfer. No sealed source shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.

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D. The leak test shall be capable of detecting the presence of 0.005 microcurie (185 becquerels) of radioactive material on the test sample. If the test reveals the presence of 0.005 microcurie (185 becquerels) or more of removable contamination, a report shall be filed with the U.S. Nuclear Regulatory Commission in accordance with 10 CFR 30.50(c)(2), and the source shall be removed immediately from service and decontaminated, repaired, or disposed of in accordance with Commission regulations. The report shall be filed within 5 days of the date the leak test result is known with the U.S. Nuclear Regulatory Commission, Region IV, 612 East Lamar Boulevard, Suite 400, Arlington, Texas 76011-4125, ATTN: Director, Division of Nuclear Materials Safety. The report shall specify the source involved, the test results, and corrective action taken.

E. Tests for leakage and/or contamination shall be performed by persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services. In addition, the licensee is authorized to collect leak test samples but not perform the analysis; analysis of leak test samples must be performed by persons specifically licensed by the Commission or an Agreement State to perform such services.

F. Records of leak tests results shall be kept in units of microcuries and shall be maintained for 3 years.

15. Sealed sources or source rods containing licensed material shall not be opened or sources removed or detached from source rods or gauges by the licensee, except as specifically authorized.

16. The licensee shall conduct a physical inventory every 6 months, or at other intervals approved by the U.S. Nuclear Regulatory Commission, to account for all sources and/or devices received and possessed under the license.

17. Except for maintaining labeling as required by 10 CFR Part 20 or 71, the licensee shall obtain authorization from U.S. Nuclear Regulatory Commission before making any changes in the sealed source, device, or source-device combination that would alter the description or specifications as indicated in the respective Certificates of Registration issued either by the Commission pursuant to 10 CFR 32.210 or by an Agreement State.

18. Each portable nuclear gauge shall have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position. The gauge or its container must be locked when in transport, storage or when not under the direct surveillance of an authorized user.

19. Any cleaning, maintenance, or repair of the gauges that requires detaching the source or source rod from the gauge shall be performed only by the manufacturer or other persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.

20. A. If the licensee uses unshielded sealed sources extended more than 3 feet below the surface, the licensee shall use surface casing that extends from the lowest depth to 12 inches above the surface and other appropriate procedures to reduce the probability of the source or probe becoming lodged below the surface. If it is not feasible to extend the casing 12 inches above the surface, the licensee shall implement procedures to ensure that the cased hole is free of obstruction before making measurements.

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B. If a sealed source or a probe containing sealed sources becomes lodged below the surface and it becomes apparent that efforts to recover the sealed source or probe may not be successful, the licensee shall notify the U.S. Nuclear Regulatory Commission and submit the report required by 10 CFR 30.50(b)(2) and (c). The licensee shall not abandon the sealed source or probe without obtaining the Commission's prior written consent.

21. The licensee is authorized to transport licensed material only in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."

22. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any enclosures, listed below. The U.S. Nuclear Regulatory Commission's regulations shall govern unless the statements, representations, and procedures in the licensee's application and correspondence are more restrictive than the regulations.

A. Application dated May 24, 2007
B. Facsimile received August 10, 2007

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

/RA/

Date July 21, 2008

By: _____

Jacqueline D. Cook, Senior Health Physicist
Nuclear Materials Safety Branch B
Region IV
Arlington, Texas 76011-4125